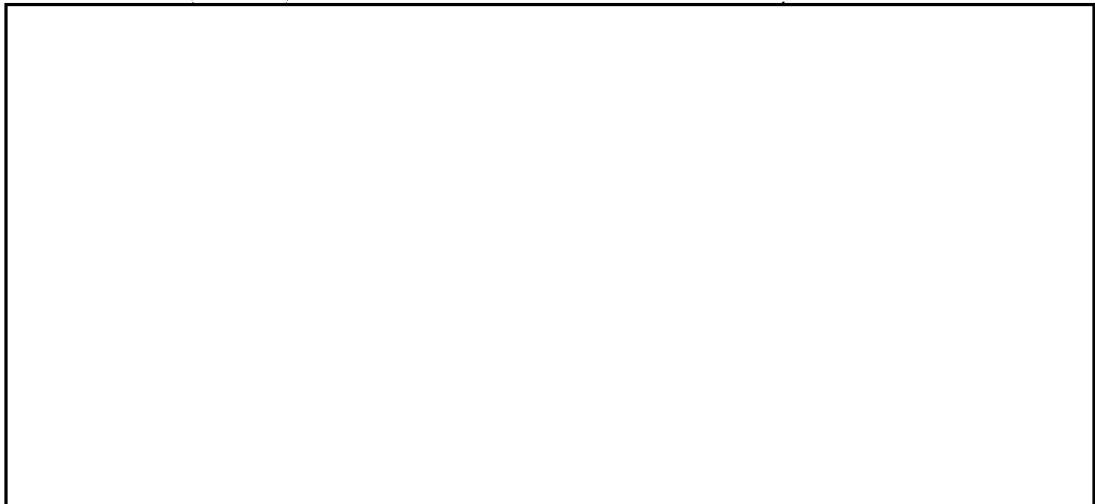


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OFFICE OF GENERAL COUNSEL
INFORMATION FOR THE DIRECTOR'S LOG

Submitted: 15 May 1951

1. The full House Armed Services Committee today approved the CIA bill for the employment of fifteen retired officers. However, in doing so, they knocked out the proviso which would permit retired officers employed by CIA to take advantage of the tax exemption features of their retired pay. The officers primarily affected by the tax exemption proviso are those who are retired for disability, and who therefore can be employed by any Government agency under present law. It is the Committee's position that there is no reason to place officers employed by CIA in a different position than those employed by other agencies of the Government in this category, and in the absence of a Government-wide bill this proviso would be unwarranted for CIA. Their contention is that the main purpose of the bill is to allow CIA to employ fifteen officers whose employment is presently prohibited by law, and this they approve.



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Lawrence R. Houston
General Counsel

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